



Robert Bauman

4th District Newsletter

Dear Friends and Neighbors:

As the Common Council begins to debate the 2006 city budget, I believe it would be useful to review some budget fundamentals and discuss how the property taxes we pay are determined. (*Note to renters: your rent reflects the property taxes your landlord pays so this affects you as well!*).

I also want to discuss in this newsletter a recent report prepared by the city's Comptroller that concludes that Milwaukee spends less per capita and has lower taxes and fees per capita than most comparable cities. This may come as a surprise to some so I encourage you to read on. (See accompanying articles on pages 2-4).

In this newsletter you'll also read about my efforts to add more police officers, revitalize our neighborhoods and improve our quality of life. And I've added some helpful tips on dealing with fall and winter in our city and with City Hall, now that the renovation of the historic building has begun.

As always, I welcome your input. It continues to be my distinct honor to represent you as 4th District Alderman.

Sincerely,

Bob Bauman



Youth Movement At City Hall

Milwaukee's first-ever Youth Council members are talking about the important issues they say are facing city teenagers today, and giving city leaders their ideas on how to deal with those concerns. Ald. Bauman was one of the co-sponsors of the legislation that created the 15-member council, one from each aldermanic district.

The 4th District representative on the youth council is 16-year-old Keturah Chesser, a junior at Messmer High School. Keturah, active at school and volunteering in the community, plans to go to college and perhaps study law, teaching or nursing. Important issues Keturah feels should be addressed by the City of Milwaukee Youth Council:

- Peer pressure
- Drugs in schools
- Teen pregnancy
- School truancy

"This is a unique opportunity for Keturah and the other Youth Council members to provide the Common Council with insight on the challenges facing young people and how the city can better address these issues," said Ald. Bauman. Approximately 10% of annual city Community Development Block Grant Dollars will be allocated to support the recommendations of the Youth Council for youth service activities and other objectives. The Common Council has the final word on Youth Council recommendations.



Ald. Bauman welcomes Keturah Chesser, a junior at Messmer High School and 4th District representative on Milwaukee's new Youth Council to City Hall.

Check out the city's website at:
www.milwaukee.gov

For Ald. Bauman's webpage and more information about the 4th District go to:
www.milwaukee.gov/district4

Town Hall Meeting Scheduled

Ald. Bauman will hold a town hall meeting on **Tuesday, Oct. 18, 2005 at 6:30 p.m.** at **Philadelphia Missionary Baptist Church**, 2028 W. Cherry St. Topics will include public safety and the 2006 city budget. Hope to see you there!

The City Budget Explained

The 2005 city property tax rate is \$9.19 per \$1,000 of assessed value. This translates to city property taxes of \$919 for a home assessed at \$100,000. Milwaukee is the collecting agent for five other units of government that also levy a property tax: Milwaukee County, Milwaukee Public Schools, Milwaukee Area Technical College, Milwaukee Metropolitan Sewerage District and the State of Wisconsin. The combined tax rate for 2005 is \$25.86. However, only 34% of your 2005 tax bill is for city property taxes. Stated another way, **the Common Council has no control over 66% of the property taxes you paid in 2005.**

The City of Milwaukee represents 34% of your tax dollar



\$0.35 Milwaukee Public Schools (\$207.4 Million)	\$0.34 City of Milwaukee (\$203.0 Mil.)	\$0.17 Milwaukee County (\$103.8 Mil.)	\$0.07 MATC (\$44.2 Mil.)	\$0.06 Sewerage District (\$35.0 Mil.)
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Over the last 18 years, the city has reduced the property tax rate significantly. The city's property tax rate has declined from \$13.09 in 1988 to \$10.15 in 2003, to \$9.73 in 2004 and to \$9.19 in 2005. Even though the tax rate has declined, the city property taxes for most residents have increased. This is because the value of your property has also increased over this period — remember: tax rate x assessed value = property tax.

Property Taxes Are Small Portion Of City Budget

Property taxes are used to fill the gap between the total amount of money required to fund city government and provide city services and infrastructure and the revenue generated from city services such as Water Department (Milwaukee Water Works) revenue, solid waste fees, etc. and grants-in-aid from

other units of government such as state shared revenue. The amount of this gap is referred to as the property tax levy (the amount that must be raised by the property tax). The property tax levy represents a relatively small portion of the total city budget. **In 2005, the \$202.9 million property tax levy represented only 18% of total city revenues.**

As can be seen, there are many variables that affect the amount you pay in property taxes. These variables include the level of city spending (the quality and quantity of city services and infrastructure); the amount of revenue the city receives from other units of government (such as state shared revenue); the amount the city charges for its services (such as garbage collection and water rates); and the size of the city's tax base (the assessed value of all real estate in the city).

Why Rely On The Property Tax?

It is true that Milwaukee residents pay high property taxes. The principal reason for this is that the property tax, with a few limited exceptions, is the only tax that Wisconsin municipalities can use to raise revenue. As demonstrated in the following article on page 4, cities in other states use a variety of taxes to raise revenue including local sales taxes, income taxes, and payroll taxes in addition to property taxes.

This is problematic for many Milwaukee residents because the property tax tends to be regressive and the amount of the tax is not tied to one's ability to pay. Accordingly, property taxes represent a significant burden for persons with fixed incomes and persons with low incomes. Historically, the state has worked to lessen this burden through the state shared revenue program that made grants to cities using funds collected through the state income tax and state sales tax. This had the effect of reducing the amount of revenue cities had to raise through the property tax.

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State Government Affects City Budgeting

Unfortunately, the state has frozen state shared revenue since 1995. If state shared revenue had grown at the rate of inflation over the last 10 years, city government would have received approximately \$59 million more in revenue. This state policy action has forced the city to reduce services, raise property taxes or raise fees. Typically, the city has used a combination of all three options.

To make matters worse, the 2005-2007 state budget contains a so-called “property tax freeze” which generally limits the city to a 2% increase in the property tax levy for 2006 and 2007. This will require the city to focus even more on cutting services and infrastructure.

New Development Crucial to Maintain Services

The city can reduce the need to cut services or raise property taxes and fees by increasing the city’s property tax base. A recent study by the Public Policy Forum concluded that Milwaukee’s



Former Pabst Brewery.

“fiscal capacity” (the amount of taxable property per person) is only 56% of the regional average. **This is why new development (such as PabstCity, Kilbourn Tower and University Club Tower — several prominent 4th District developments) is so crucial to the city’s efforts to maintain city services and hold the line on property taxes.** New development expands the property tax base that supports all city services from fire and police protection to boulevard planting and street sweeping. In short, new development benefits everyone.

In summary, the budget process is complex, requires difficult choices and

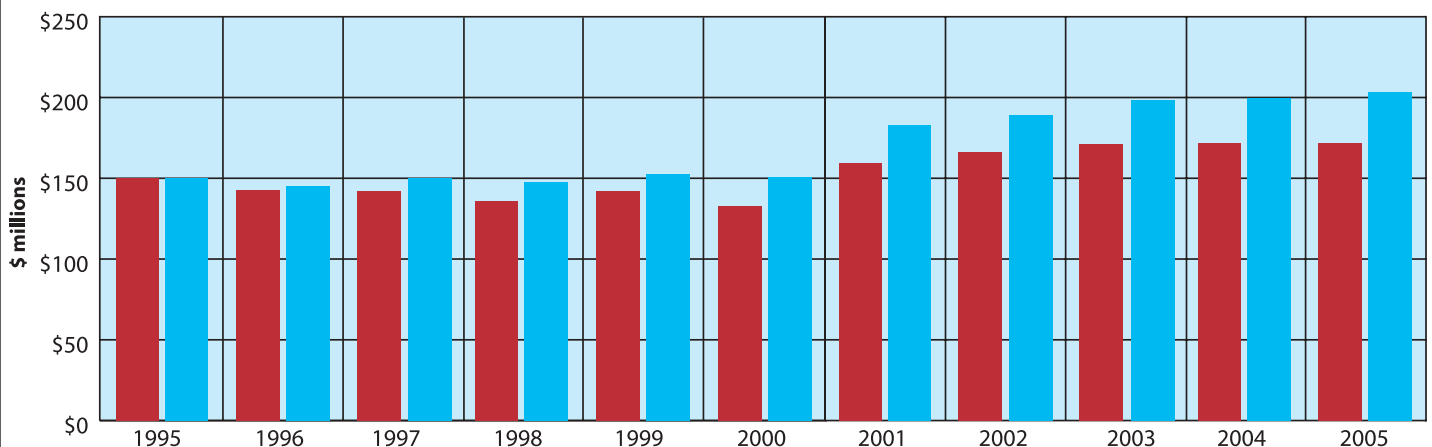


University Club Tower construction at left and Kilbourn Tower.

involves policy decisions at many levels of government. The Common Council works very hard to make sure that the right balance between services and taxes is achieved. I know that our decisions will not please everyone. However, rest assured that I understand the impact these decisions have on you and your family.

Total Property Taxes Collected by the City of Milwaukee, 1995-2005, Actual vs. Inflation-Adjusted

■ Inflation-Adjusted (1995\$)
■ Actual



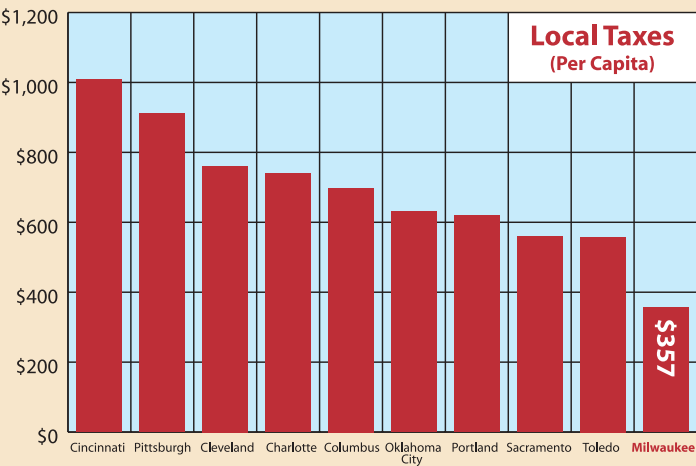
Milwaukee Scores High In National Comparison

How does Milwaukee's spending and taxes compare to other comparable cities? City Comptroller W. Martin Morics attempts to answer those questions in his second annual *Comparative Revenue and Expenditure Report*.

The report indicates that Milwaukee generally spends less and has lower taxes and fees than most comparable cities. Some examples:

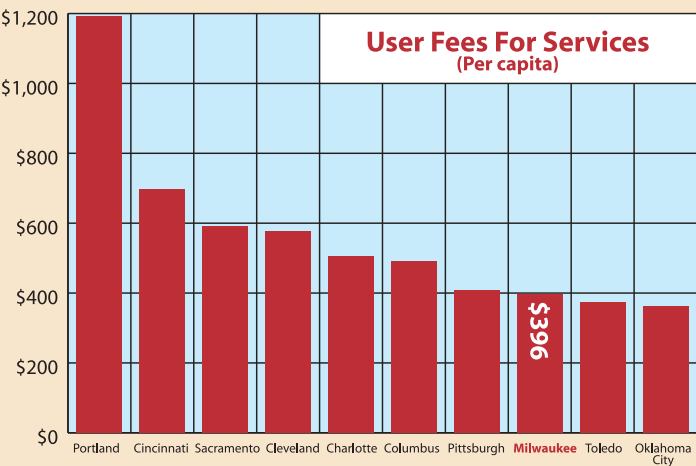
Local Taxes

Milwaukee ranks last in per capita local taxes, collecting \$327 per capita less in local taxes than the average of comparable cities. However, with no local sales or income tax, Milwaukee's property taxes are relatively high, ranking 4th among comparable cities. (See chart below).



User Fees

Milwaukee has instituted user fees as an alternative to the property tax for some city services. Despite recent increases in these fees, Milwaukee's per capita user fees are \$155 (28%) less than the average of comparable cities. (See chart below).

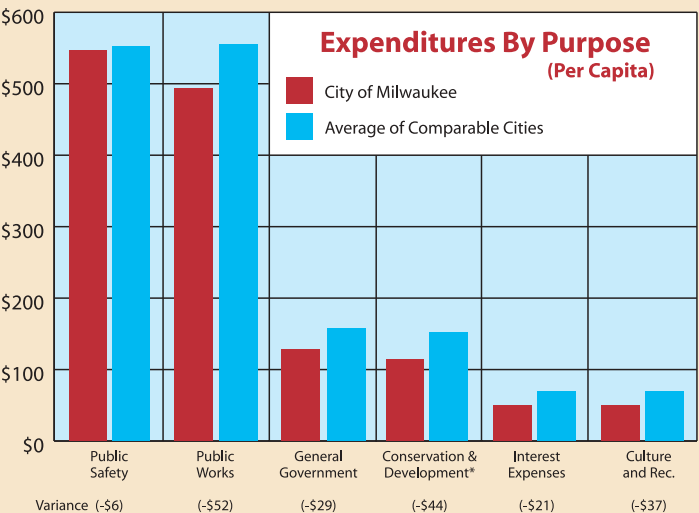


Expenditures

Milwaukee ranks 7th in total per capita spending among the 10 comparable cities. The city rankings and per capita spending is as follows:

Cincinnati	\$2,021	Columbus	\$1,413
Portland, OR	\$1,965	Milwaukee	\$1,400
Cleveland	\$1,898	Charlotte	\$1,390
Sacramento	\$1,720	Toledo	\$1,155
Pittsburgh	\$1,693	Oklahoma City	\$1,118

Milwaukee also ranks favorably in several specific expenditure categories. (See chart below).



Comparing City of Milwaukee revenues and expenditures to those of nine similar municipalities throughout the country. Milwaukee collects lower taxes and other revenue, and incurs lower expenditures than its peer cities. However, Milwaukee's property tax is higher than the average of comparable cities. This is due to the fact that Wisconsin local governments rely on the property tax as its primary local revenue source, while local governments outside Wisconsin utilize local sales, income and other non-property taxes to supplement the property tax.

If you want a copy of the full report, please contact my office at rjbauma@milwaukee.gov or at 286-3774.

211 Social Services Hotline

For help with a wide variety of non-emergency family, financial, health and social service issues. Call the 211 social services hotline, available 24 hours a day.



District Developments

Homes on the Move:

An Alternative to Demolition for Milwaukee's 19th Century Housing Stock

Homes were on the move on Milwaukee's near west side when three Victorian houses were moved along city streets to their new location. On May 26, 2005, West End Development Corp., a west side-based nonprofit housing development firm, moved three 19th century single-family homes from the vicinity of N. 24th & Wells to N. 26th & Kilbourn — a distance of four blocks.

One of my primary goals since becoming 4th District Alderman has been the preservation of Milwaukee's 19th century housing stock. Over the last 45 years, thousands of well-built and spacious single family and duplex homes have been demolished because of urban renewal, highway construction and neglect. Demolition has outpaced new construction resulting in a proliferation of vacant lots in the central city that contribute to blight and population loss. Moreover, this process has diminished the availability of quality affordable housing. Accordingly, May 26, 2005 was a special day.



Two of the homes awaiting moving day at their former locations near N. 24th St. and W. Wells St.



Ald. Bauman discusses the movement of the homes during a news conference with **Martha Brown, Deputy Commissioner of the Department of City Development.**

This project preserved three well-built homes that stood in the way of the expansion and renovation of the Ambassador Hotel (2303 W. Wisconsin Ave.) and will make three homes available for owner occupants in a neighborhood dominated by vacant lots and absentee owners. A strong private/public partnership was necessary to make this project a success.

First, the owner of the Ambassador Hotel, Rick Wiegand, offered the homes to West End at no charge provided they were moved off the hotel's property. Demolition would have saved time and headaches, but to his credit, Mr. Wiegand felt it was important to preserve these homes.

Second, West End undertook the project despite several unique challenges that involved both the house moves and the renovation of the homes at their new site. House moving is a lost art so West End had to "reinvent the wheel" in terms of qualifying and selecting a house moving contractor, researching the necessary city permits, securing utility relocations and disconnections and coordinating the logistics for the house move itself.

Third, sites had to be secured for the new homes. The city offered West End three large vacant lots in the 800 block of N. 26th Street and provided West End with gap financing to facilitate the project.

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In addition several city departments offered their advice and expertise.

My office served in the role of coordinator and motivator, making sure that everyone was working together, that all necessary city resources were in place and that the project kept on pace.

The cost to prepare the homes for the move, moving the homes and the subsequent renovation is approximately \$575,000 or an average of \$192,000 per home. This cost is significantly less than the cost of constructing a new home of the same size and with the same architectural amenities.

The homes will be marketed to owner occupants. So far, interest in the homes has been strong with several prospective buyers exploring different interior and exterior renovation options.

If you know of anyone interested in buying a large fully renovated 19th century home please call West End Development Corp. at 933-2080.



The homes at their new location in the **800 block of N. 26th St.**, now waiting for basements and new owners.

This project has demonstrated that moving 19th century homes is an economically feasible alternative to demolition and a cost-effective method of providing quality housing. I will continue to promote the house move option whenever 19th century homes are slated for demolition. The city

is already exploring another house move to make way for a new gas station at N. 12th and W. Highland Blvd. I look forward to a time when house moving is regularly employed to preserve Milwaukee's housing stock.

Ald. Bauman Voices Support For Additional Police Officers

The deadly violence that had plagued Milwaukee neighborhoods is putting a strain not only on the people who live in those areas, but also on an understaffed and overworked Milwaukee Police Department. Ald. Bauman has joined a number of his colleagues in calling for a multi-pronged approach, which includes support for Police Chief Nan Hegerty's proposal for three police recruit classes next year to help fill about 250 vacancies in the department.

Other initiatives supported by Ald. Bauman include:

- Asking officers contemplating retirement to stay on the job to help provide mentoring and training.
- Expanding the role of auxiliary or reserve officers.
- Asking the state legislature for a special funding mechanism to pay for increased police services.
- Asking the governor to provide additional State Patrol officers on Milwaukee freeways so Sheriff David Clarke can assign deputies to assist the MPD.



Ald. Bauman speaks at a **news conference** at S. 19th St. and W. Forest Home Ave., **the scene of a fatal July shooting**, to call for more police on the streets to curb violence. Also, pictured, to his left, Ald. Robert W. Puente, Ald. Joe Duzdik and Ald. Robert G. Donovan.

Progress Made On Plans For Amtrak Depot Renovation

In my last newsletter I outlined my objections to the proposed renovation of the downtown Amtrak depot. The Wisconsin Department of Transportation's initial plan proposed to add a significant amount of retail space (including a fast food drive-through window) and facilities for intercity bus carriers in the space that now exclusively serves Amtrak intercity rail service.

I pointed out that there was insufficient space for the additional activity the station would need to accommodate and that the proposed design enhancements were inadequate. I vowed to hold up the plan until significant changes were made stating "This facility is a gateway to our city. For many visitors, this depot will be the first impression they receive about Milwaukee. This building should be a proud and significant civic space, not a strip mall."

I am pleased to report that significant progress has been made. First, the recently enacted Federal Transportation Bill earmarked an additional \$3.76 million for depot renovations. Second, the city's Redevelopment Authority has authorized \$50,000 for architectural and engineering design work. Finally, the city plans to provide approximately \$4 million in tax incremental financing for the project. This additional funding will more than double the renovation budget and provide sufficient resources to produce an intermodal facility that Milwaukee residents can be proud of.



Current Amtrak station.



The planned **\$15.2 million dollar upgrade of the downtown Amtrak station** includes a three-story glass atrium, adding 7,500 square feet and creating a new passenger lobby. Renovation of the intermodal facility to house both rail and Greyhound bus traffic will begin next April and be **completed by April 2007**.

I am even more pleased to announce the unveiling on September 13, 2005 of the new design for the intermodal facility. The \$15.2 million facelift of the Amtrak station will result in a bright and spacious hub for trains and Greyhound buses. The upgrade includes a three-story glass atrium, which adds 7,500 square feet to the building and creates a new, large, airy passenger lobby. The lobby may also feature automatic ticket

machines and kiosks for coffee and food vendors. The renovation work is to begin next April and be completed by April 2007.

I appreciate the efforts of Mayor Barrett, the Department of City Development, U.S. Senators Kohl and Feingold and Congresswoman Gwen Moore for securing the additional funding and recognizing the importance of this project.



At a **news conference** unveiling the new Amtrak station design, Ald. Bauman said the train and bus hub will add value to the city, and could be a catalyst for other retail and housing developments in the area. With the alderman, state **Transportation Secretary Frank Busalacchi (I)** and **Mayor Tom Barrett**.



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Residential Vacant Lots Reassessed

In the course of reviewing property records for the **West Side** of the 4th District, Ald. Bauman noticed that many privately owned vacant lots were assessed at ridiculously low amounts—in many cases as low as \$200 for a standard city residential lot. With a \$200 assessment the property owner would owe only \$1.83 in city property taxes. These assessments did not reflect market value and created an incentive for speculators to sit on vacant property.

Ald. Bauman contacted the **City Assessor, Mary Reavey**, and asked her to review the assessments for vacant residential lots. A city wide review of 856 vacant lots was conducted and total assessments were increased approximately \$300,000 to reflect the true market value of these lots.

CITY HALL RESTORATION ALERT

Planning a trip to City Hall?



You may want to call instead. Ald. Bauman wants you to know that the City Hall restoration project has begun and a visit for the next three years will be a bit more complicated. Because of site constraints, the general contractor needs to occupy the southern third of Market Street between City Hall and the other two

city buildings in the complex for construction and storage related activities. **The partial street closure is expected to last until December 2008.** In addition, a number of parking spaces have been removed. You may want to consider trying to take care of city related business by phone or on the internet.

Ald. Bauman also encourages visitors to use public transit. Eleven transit routes serve bus stops within one block of City Hall. Check out the transit system's website at www.ridemcts.com for route and schedule information.